



# Inside Congress

*by United States Representative George R. Nethercutt, Jr.*

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**For the week ending July 26, 2002**

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Welcome to this week's edition of Inside Congress. I am glad to share with you a little of my work in the national legislature. Please follow the listed links or contact my office for more information on the topics mentioned here.

## **PROTECTING AMERICAN INVESTORS FROM CORPORATE GREED**

This week the U.S. House of Representatives passed landmark legislation to protect American investors from executives who plunder companies at the expense of their employees and shareholders. This legislation toughens penalties on corporate criminals, provides greater oversight of the accounting profession, and increases the amount of information available to investors making decisions about their money. With passage of this bill, corporate crooks will no longer thrive in the obscurity provided by phony accounting. The president is expected to sign the bill into law.

Some key provisions of the bill include:

- Creates a Public Company Accounting Oversight Board to enforce auditing, quality control, and independence standards and rules. Fees charged to all publicly traded companies will fund the board.
- Enhances corporate disclosure, including immediate disclosure of any information affecting the financial health of the company.
- Ensures investors who have lost money in the markets as a result of corporate malfeasance receive compensation from any legal settlement
- Increases criminal penalties for a broad array of white-collar crimes (including 20 years for document shredding and obstruction of justice), freezes extraordinary payments to employees of companies under investigation by the Securities and Exchange Commission, and makes it a crime to retaliate against corporate whistleblowers.

## **EPA ADMINISTRATOR WHITMAN COMING TO SPOKANE**

Christie Whitman, the head of the Environmental Protection Agency, has accepted my invitation to participate in a roundtable discussion in Spokane Aug. 12 with local leaders regarding the Coeur d'Alene Basin cleanup.

I'm glad Administrator Whitman will be able to hear first-hand the concerns of elected officials and local leaders from Washington state about the Coeur d'Alene Basin clean-

up effort. This is a regional concern, and I wanted to make sure that the voices of Washingtonians would be heard on this issue, too. Administrator Whitman will be hosted by the Idaho congressional delegation in a tour of the Basin the following day.

### **JOIN ME FOR A DISCUSSION ON PRESCRIPTION DRUGS IN SPOKANE**

Throughout August, I will be traveling around the 5th District to discuss what Congress has done to lower seniors' prescription drug costs. The first three meetings will take place in the Spokane area August 7 and 9. I invite seniors to join me to discuss the recently passed House legislation giving Medicare beneficiaries permanent prescription drug coverage. The Medicare Modernization and Prescription Drug Act of 2002 passed by the House of Representatives in June also takes steps to modernize Medicare so that hospitals and doctors will be able to continue providing Medicare services for all seniors.

Meetings will be held in Spokane at the following locations and times:

**Wednesday, Aug. 7** from **1-2 p.m. at the Southside Senior Center**, 3151 E. 27th, and from **6-7 p.m. at Fairwood Retirement Village**, 312 W. Hastings.

**Friday, August 9, 8:30-9:30 a.m. at the Spokane Valley Senior Center**, 11423 E. Mission Ave.

Space is limited at venues, and those wishing to attend are asked to RSVP to my Spokane office at (509) 353-2374.

### **CALL FOR USDA TO INVESTIGATE RELEASE OF EMERSON WHEAT SALE**

In last week's Inside Congress, I discussed the abrupt policy change by the U.S. Department of Agriculture regarding the release of reserve wheat stocks to be sold to finance food aid donations by the U.S. to southern Africa for drought relief.

This change in policy allowed grain buyers to pick and choose wheat from individual warehouses and buy all of their reserve wheat. This loss of storage income will cost elevators in our district \$900,000 of annual income, and only a handful of warehouses will absorb this tremendous loss.

This week I sent a letter to the USDA's acting inspector general to investigate whether there was any wrongdoing involved in this policy change.

USDA has thrust small warehouse companies that have had grain purchased into extreme financial hardship through this unannounced change in procedure. I am working to find assistance for these unfortunate individual elevator companies while also demanding that this policy be changed to a more equitable procedure of release of government stocks.

## **OPENING UP MORE DOORS TO TRADE WITH CUBA**

This week the House debated measures to extend my work on sanctions relief for Cuba. With broad bipartisan majorities, we adopted three amendments that will promote democratization and increased agricultural sales. Current restrictions on private financing of exports were lifted to allow farmers greater opportunities to make sales, and travel restrictions were lifted, permitting a dramatic expansion of people-to-people personal diplomacy. The House also suspended restrictions on remittances to Cuban families; remittances are payments by Americans (usually of Cuban-descent) to their extended families in Cuba. Passage of this amendment puts money directly into the hands of Cuban families, freeing them of their reliance on the state and fueling the private sector economy. I spoke in support of these provisions and believe that they will advance economic opportunity for American farmers and for Cuban families.

## **ON THE FLOOR**

Here is a recap of the legislative activity for the week:

**H.R. 3763 - Sarbanes Oxley Act of 2002 Conference Report.** The bill passed by a vote of 423-3. I voted yes.

This landmark set of reforms combines two pieces of legislation passed by the House and one bill passed by the Senate to form the most significant changes to protect investors since the Securities and Exchange Commission was created in 1934. President Bush is expected to sign this legislation soon. For more information, please see above.

**H.R. 5005 - Homeland Security Act of 2002.** The bill passed by a vote of 295-132. I voted yes.

This legislation creates a new Department of Homeland Security, encompassing existing agencies responsible for security including the Coast Guard, the Customs Service, Immigration and Naturalization Services enforcement, and the Secret Service, among others.

The bill takes steps to ensure the freedom of Americans by banning a national identification card, and prohibits programs that would promote citizens spying on one another. An Office of Civil Rights and Civil Liberties will be established to protect citizens from federal over-reach as well.

The bill creates a National Homeland Security Council similar to the National Security Council to advise the president on homeland security issues. The legislation also limits

the department's authority to keep it from imposing excessive regulations, making sweeping changes, overspending taxpayer money or usurping too much authority.

**H.R. 4775 - Defense and Homeland Security Supplemental Appropriations Act Conference Report.** The bill passed by a vote of 397-32. I voted yes.

This "supplement" to this year's spending provides \$14.5 billion for our armed forces to fight the War on Terrorism. Also included is \$6.7 billion for homeland security, including funding for the FBI to conduct counter-terror activities. Over \$400 million is included for emergency preparedness programs. The bill also includes funding to replace the shortfall in transportation funding in the Highway Trust Fund due to lower tax receipts.

**H.R. 5120 - Treasury and Postal Operations Appropriations Act for Fiscal Year 2003.** The bill passed by a vote of 224-188. I voted yes.

This legislation provides \$18.5 billion to ensure homeland security, including protecting our borders and our children from drugs and crime. The bill includes an increase of \$21 million for Northern Border security staffing. The bill also includes funding to support state and local law enforcement as part of the High Intensity Drug Trafficking Area program to fight meth in our communities. In addition, the bill includes language I sponsored to prevent gun tracing data from being released by the Bureau of Alcohol, Tobacco and Firearms. This data is a critical component in tracking down violent criminals, and its release would jeopardize thousands of criminal investigations.

**H.Res. 495 - Resolution to expel Rep. James Traficant, Jr. from the House of Representatives.** The resolution passed by a vote of 420-1, 9 present. I voted yes.

The House Committee on Ethics and Standards found that Traficant violated the ethics of the House on nine counts and recommended the most serious disciplinary action. Three months ago an Ohio jury found Traficant guilty on charges of bribery, racketeering and trading his office for personal gain. He is scheduled to be sentenced next week and faces more than seven years in prison.

**H.R. 4965 - Partial-Birth Abortion Ban Act of 2002.** The bill passed by a vote of 274-151. I voted yes.

H.R. 4965 bans the partial birth abortion procedure in which an intact living child is partially delivered until some portion of the baby is outside the body of the mother before it is killed and the delivery completed.

An abortionist who violates the ban will be subject to fines or a maximum of two years imprisonment, or both. H.R. 4965 also establishes a civil cause of action for damages against an abortionist who violates the ban and includes an exception for those situations in which a partial-birth abortion is necessary to save the life of the mother. The measure differs from legislation to ban partial-birth abortions approved by previous

Congresses in that it contains a revised definition of the banned procedure and includes Congress's factual findings that, based upon extensive medical evidence compiled during congressional hearings, a partial-birth abortion is never necessary to preserve the health of a woman.

**H.R. 4628 - Intelligence Authorization Act for Fiscal Year 2003.** The bill passed unanimously. I voted yes.

H.R. 4628 authorizes spending for FY 2003 for the intelligence and intelligence-related activities of the U.S. Government.

H.R. 4628 enhances efforts to rebuild the nation's human intelligence capabilities, noting the need for global presence. The measure addresses the shortfalls in the intelligence community's analytic core, noting the need to rebuild a dynamic, wide-ranging, global capability. The measure identifies shortfalls and risks in the Defense Department's signals intelligence and Unmanned Airborne Vehicle programs.

**H.R. 333 - Bankruptcy Abuse Prevention and Consumer Protection Act of 2002 Conference Report.** As of this printing, the vote had not happened yet.

This bill toughens Chapter 7 bankruptcy standards for debtors with above-average incomes so they will have a hard time avoiding liability after some of their assets have been liquidated. Under current law, debtors are not required to repay their debts even if they have sufficient financial means. The problem has worsened in the last few years as the number of bankruptcy filings has reached record levels. American consumers as a whole pay the price of higher interest rates when an irresponsible few abuse the system. H.R. 333 aims to reform current bankruptcy law by working to reduce repeat filings and providing debtors with information about alternatives to bankruptcy, including credit counseling services. One of the bill's other reforms will prevent gaming the system, which is a tactic that involves running up credit bills right before filing for bankruptcy and having one's bankruptcy case dismissed.

## **SCHEDULE**

As of July 27, I will be in Eastern Washington until Labor Day. I have many scheduled events throughout the district in August and I look forward to seeing you then.

I met with Heather Meng, a Gonzaga University student, who discussed persecution of Falun Gong in China with me. I met with David Hobbs of the White House to discuss diabetes. I met with Rep. Diana DeGette, my co-chair on the Congressional Diabetes Caucus, Michael Mawby of the American Diabetes Association, and Larry Soler of Juvenile Diabetes Research Foundation to discuss diabetes funding. I attended an anthrax briefing. I met with several individuals who discussed reproductive health issues on behalf of Planned Parenthood. I met with Federal Energy Regulatory Commission Chairman Pat Wood at a meeting of the Northwest Energy Caucus. I met

Carl Fulton, a Washington State University student interning in DC for the summer. I also attended a classified Defense hearing on chemical, biological and nuclear threats to our nation. I attended a meeting with President Bush to discuss the accomplishments of the House this session.

### **CONTACT INFORMATION:**

I always enjoy hearing from you. Please feel free to contact me if I can be of assistance to you in any matter. Here are some of the ways you may reach me, especially if you know of others who may want to receive this report each week:

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